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Turks and Caicos Islands

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I. General

1. The Territory of the Turks and Caicos Islands[1] is the largest of the dependent Caribbean territories of the United Kingdom of Great Britain and Northern Ireland, comprising 40 islands and cays. These islands form the south-eastern extremity of the Bahamas chain and lie 145 kilometres north of Haiti and the Dominican Republic and 925 km south-east of Miami, United States of America. The islands and cays are split into two groups by a deep water channel, with a total land area of 500 square kilometres. Limited rainfall, coupled with poor soils and a limestone base, restrict the possibilities for agricultural development. The islands have important wetland and reef habitats and provide a home for 14 endemic plants and reptiles.

2. Of these islands, only six are permanently inhabited: Grand Turk, where the capital, Cockburn Town, is located; Salt Cay; South Caicos; Middle Caicos; North Caicos and Providenciales. In addition, there are a number of hotel developments and holiday homes on smaller cays. The islands are sparsely inhabited with a population density of approximately 34 persons per square kilometre. The total population of the Territory was estimated at 24,000 in 1999, including some 5,000 to 6,000 immigrants from Haiti and the Dominican Republic. Historically, there has been a flow of emigration from the Islands, mainly to the United States and the Bahamas. Within the Islands, there has been net migration towards Providenciales since the mid-1980s. Most of the population resides on the two principal islands, Grand Turk, which is the administrative capital, and Providenciales, which is the business centre of the islands. Of the other populated islands, South Caicos has 10.5 per cent of the total population; North Caicos 11.1 per cent; Middle Caicos has 2.3 per cent; and Salt Cay, 1.8 per cent.[2] It is estimated that foreigners make up 50 per cent of the population. Most of the people are of African descent, the rest being mixed or of European origin. English is the main language, with some Creole spoken by Haitian immigrants. The religion is Christianity; the Anglican Communion predominates. Education is compulsory between the ages of 5 and 14, and is provided free in schools run by the Government. A national census is scheduled for 2001.

II. Historical background

3. The Turks and Caicos Islands were discovered by the Spanish explorer Juan Ponce de Leon in 1512, and they were then probably uninhabited. They remained unsettled by Europeans until 1678, when Bermudans arrived and established a solar salt industry. The Islands were settled by royalist sympathizers from the United States after the War of Independence; they established cotton plantations, employing slaves. In 1799, the Islands were annexed by the Government of the Bahama Islands, but in 1848 they were granted a separate charter. Between 1833 and 1843, slavery was abolished and the plantation owners left the Islands, leaving their former slaves in possession. From 1874 to 1959, the Turks and Caicos Islands were governed by Britain as a dependency of Jamaica and placed under the authority of the British Governor-General at Kingston. The Islands became a separate colony of the United Kingdom in 1962, when Jamaica became independent. For a time in the 1960s and 1970s, the Islands were under the control of the Bahama Islands, but with Bahamian independence in 1973, the Turks and Caicos were placed under a British Governor at Grand Turk.[3]

III. Constitutional and legal issues

4. The Turks and Caicos Islands is a Non-Self-Governing Territory of the United Kingdom with a ministerial system of government. Under the provisions of the 1976 Constitution, amended in 1988, executive power is vested in the Governor, appointed by the Queen. The Constitution provides for an Executive Council and a Legislative Council. The Governor is responsible for foreign affairs, internal security, defence, the appointment of public officers, offshore finance and certain other matters, but is otherwise normally required to act on the advice of the Executive Council. The Executive Council consists of the Governor, six elected members of the Legislative Council and two official members (Chief Secretary and Attorney General). The Legislative Council consists of 19 members. There are 13 representatives elected by popular vote, 3 appointed by the Governor and 3 ex officio members of the Executive Council.

5. The legal system, based on English Common law, includes a Supreme Court and a Court of Appeal, and has provision for appeal to the Privy Council in

London. The Attorney General and Chief Justice are currently United Kingdom technical cooperation officers, as are the Senior Crown Counsel, the Legal Draftsman, the Deputy Commissioner of Police and the Head of the Criminal Investigation Division. The Police Development Project supports the provision of a further two technical cooperation officers: an Assistant Commissioner of Police and a Financial Crimes Investigation Officer.

6. The current Governor, John Kelley, was appointed in 1996. Chief Minister Derek Taylor was sworn to office in 1999.

IV. Political background and developments

7. There are two main political parties, the People's Democratic Movement (PDM), formed in 1975, and the Progressive National Party (PNP), formed in 1980. A third party, the United Democratic Party (UDP), was created in 1993. Parliamentary elections are held at intervals of not more than four years.

8. PDM, which formed the Government between 1976 and 1980, had led the demands for independence during the 1970s. PNP dropped these demands when it won the 1980 election.

9. In 1995, PDM defeated PNP. In the most recent general election, held on 4 March 1999, PDM was re-elected, winning 9 of the 13 elected seats in the Legislative Council. The other four seats went to PNP.

10. PNP, now in opposition, remains very active on the political scene. Its leader and elected representatives often initiate requests and stimulate debates in the Legislative Council. PNP regularly organizes public meetings and addresses the islanders through the local press.

11. The 1999 elections revealed a number of problems, in particular the inaccuracy of the voter lists which had resulted in the exclusion of eligible voters. As a result, the Elections Ordinance was amended. According to these amendments, a list of electors must be posted annually by 31 January in all electoral districts, at which point voters can verify their accuracy. A corrected register of voters must then be posted by 28 February, incorporating all valid objections, alterations and new registrations.[4]

12. In March 1999, the Government of the United Kingdom issued a White Paper on the relationship between the United Kingdom and its Overseas Territories, entitled "Partnership for progress and prosperity: Britain and the Overseas Territories" (for the text of the White Paper, see A/AC.109/1999/1, annex; for its key recommendations, see A/AC.109/1999/18, para. 37). Following the publication of this White Paper, the status of the Territory, along with that of all the other Territories, was changed by the United Kingdom from a "dependent" Territory to an "Overseas Territory".

13. The question of the White Paper and its consequences for the Territory was raised in connection with the decriminalization of homosexuality. While the White Paper called on the Overseas Territories to decriminalize homosexuality in order to bring their laws into conformity with the United Kingdom's international human rights obligations, none of the Territories, in fact, did so. In 2000, the United Kingdom Privy Council enacted an Order suspending all Territorial laws that made homosexual acts between consenting adults illegal. The Order provoked significant protest in the Turks and Caicos Legislative Council, both over the question of homosexuality and over the general implementation of the White Paper's provisions. One member characterized the Order as an act of colonialism and called on the Territory's leaders to be prepared to lead the Territory to independence. The Governor was also faulted for not having distributed the White Paper in a timely manner, preventing adequate consideration of its implications. A Governor-appointed Council member stated, however, that the United Kingdom had clearly stated its intention to legalize homosexuality, yet none of the parties had adopted the position of independence during debates on the White Paper. He stated that both political parties had failed to adequately deal with the homosexuality issue when the White Paper was debated. He also noted that meetings held throughout the Territory to discuss the Paper had been poorly attended. At the same time, the Chief Minister stated that the United Kingdom had the legal authority to pass the legislation, and the development of the Territory was a more pressing concern. In February 2001, a motion was passed by the Legislative Council condemning the Order.[5]

V. Economic conditions

A. General

14. The traditional economic activity, salt production, ceased in 1964. For the next two decades, the economy depended on fishing, some tourism and government employment. Agriculture is almost non-existent owing to the low rainfall and high soil salinity. Practically all consumer goods and most foodstuffs are imported. Natural resources are limited and even water has to be strictly conserved. In the 1960s and 1970s, thousands migrated to the nearby Bahamas and the United States to seek work. This trend has now been reversed as the economy has improved.

15. Since the 1980s, the main source of foreign exchange has been tourism and financial services. The dependence of these sectors on the economic situation in developed countries makes the Turks and Caicos increasingly vulnerable to fluctuations in the international economy.

16. Foreign investors, mainly from Canada, the United Kingdom and the United States, play a significant role in the Islands' economic life. The main areas of private investment are tourism property development, real estate, international finance and fishing, focused on the island of Providenciales.

17. The economy grew strongly in the 1990s with the expansion of tourism, construction and offshore financial sectors. In 1995, real GDP expansion reached a peak of 13.5 per cent. The rate had slowed by the end of the 1990s, falling to a still robust 8.7 per cent in 1999. Owing mostly to the tourism and construction industries, the economy showed 8 per cent growth in the year 2000, maintaining a lead over several Caribbean States.[6] The rate of inflation remained low.

B. Public finance

18. The current budget is usually in substantial deficit, which is covered by funding from the United Kingdom and, to a lesser extent, the European Union and multilateral agencies. The Government levies no taxes on corporate or personal income, capital gains or inheritance. The largest component of current revenue is customs duty, while company registration fees and tourism levies have produced an increased share in recent years.[7]

19. The budget is projected on a biennial basis. For 2000-2001, the Government of the Turks and Caicos Islands estimated a total revenue of $67,051,624 and expenditures of $67,111,389. The Government expected to collect 44 per cent of the revenue from duties; 15 per cent from fees and charges; 13 per cent from licences; 1 per cent from rent; 16 per cent from taxes and 11 per cent from other sources. Its recurrent expenditures were projected at 30 per cent for education, health, youth and sports; 11.2 per cent for public works; 13.6 per cent for communications, transport and tourism; 3.3 per cent for natural resources; 6.9 per cent for home affairs; 7.9 per cent for police; 21.1 per cent for the Office of the Chief Minister; 0.5 per cent for the Office of the Governor; 2.3 per cent for the Office of the Chief Secretary; 1.5 per cent for Attorney General's Chambers; 1.2 per cent for the Judiciary and 0.5 per cent for the auditors.

20. At the beginning of 2001, a supplementary appropriation (2000/2001) bill for $7,107,000 was passed by the Legislative Council. The Chief Minister and the Finance Minister had explained that a major portion ($2.6 million) of the additional resources had been requested by the Health Ministry: $2 million for overseas medical treatment and $600,000 for the procurement of equipment and medical supplies. The amount of $1.3 million was sought for education, mostly scholarships. The cost of repatriating illegal immigrants was estimated at $250,000;[8] other amounts are too small to list.

21. The Government's capital budget estimates form the basis of the public sector investment programme, which is financed through the Development Fund. The Fund was established for the purpose of receiving such monies as might be appropriated annually from the Consolidated Fund, together with other monies received from external donors.

22. External donors include the Government of the United Kingdom, whose funds are administered through the Dependent Territories Regional Secretariat ($5.2 million), the European Union ($1.5 million), the Caribbean Development Bank ($100,000),[9] and the United Nations Development Programme (UNDP).

23. The actual development budget expenditure for 1999/00 was forecast at $21.5 million, of which the territorial Government would fund $10.7 million.[10]

C. Public service

24. The Government is the main employer, accounting for about one third of the employed population. According to information provided by the administering Power, the Government is committed to developing a cadre of highly professional, self-confident and highly motivated Turks and Caicos Islanders for its civil service. Ongoing reforms include a review of pay and grade structures, new guidelines and an increased emphasis on training. Particular areas of its attention were law and order, education and health.

D. Offshore services

25. Constitutional responsibility for the Turks and Caicos Islands' offshore finance sector rests with the Governor. The United Kingdom Technical Cooperation Programme supports the sector through the provision of the Superintendent and the Deputy Superintendent of the Financial Services Commission. The regulatory structure set up through the Banking Ordinance of 1979 and the Companies and Insurance Ordinance of 1981 was updated and extended in 1990 and 1992. There are four commercial banks, including the Bank of Nova Scotia, which has two branches, and Barclays, which has one.[11]

26. Among the attractions for offshore companies are the use of the United States dollar as the official currency, the absence of direct taxation, a growing financial infrastructure, fast and straightforward company registration procedures, extensive financial freedom and confidentiality.

27. Offshore finance is the second largest source of external revenue after tourism and the third largest employer in the Territory. There are 13,000 offshore companies registered in the Territory. Some 2,000 offshore insurance companies have been licensed. There are about $1 billion in offshore deposits in bank and trust funds.[12]

28. In June 2000, the Organisation for Economic Cooperation and Development (OECD) published a list of 35 countries, including the Territory of the Turks and Caicos Islands, labelled as offshore financial centres which exercised harmful tax practices. OECD insisted that these jurisdictions must improve their financial regulations and eliminate those practices by July 2001 or face sanctions. The United Kingdom and its Non-Self-Governing Territories jointly commissioned an independent review of financial regulations in the Territories, which was published in October 2000. Following the recommendations made in the review, the Territories identified measures to improve the situation.

29. At the same time, leaders of the Caribbean countries and Territories labelled by the OECD as "tax havens", including Turks and Caicos, defended their position, claiming that the favourable conditions in the financial sector were effective tools for small countries trying to compete for capital in the global economy. In January 2001, the OECD-Commonwealth task force was created. As of March 2001, both sides reported "improved understanding and progress" and were studying new proposals.

30. Turks and Caicos has made considerable efforts in the financial services industry to maintain its high reputation. According to the Government Information Services, since the late 1900s, the Territory has introduced legislation to help detect and combat drug trafficking and money-laundering. They included the Control of Drugs (Trafficking) Ordinance (1998); the Proceeds of Crime Ordinance (1998); and the Proceeds of Crime (Money Laundering) regulations.

31. In April 2001, it was reported that the United States Internal Revenue Service (IRS) had granted the Turks and Caicos Islands "qualified jurisdiction" status. The status was granted after the Territory had implemented the appropriate "know your customer/anti-money laundering and drug trafficking procedure". The status will allow Turks and Caicos financial institutions to deal in United States securities and to receive income, including dividends, royalties and gross proceeds from the United States.[13]

32. In addition to the financial services, there are other offshore activities, such as data processing and software development, that are viewed as a potential growth sector in Eastern Caribbean countries. In the case of Turks and Caicos, knowledge-based firms established by retired professionals are finding the Territory suitable for their business due to worldwide access through digital communications and the Internet.[14] However, development in this and some other economic sectors in the Territory has been held back by high telecommunications costs (see also paras. 41-50).

E. Agriculture, fisheries, construction and manufacturing

33. Agricultural production is small and concentrated in North Caicos. The sector has begun to grow recently, with more produce available for sale in Providenciales and the establishment of a new farmers' cooperative. In the 1998/99 budget, the territorial Government set aside funds for a comprehensive agriculture project for North and Middle Caicos, designed to grow food for sale to the tourism sector. The Government plans to designate land for agricultural development, provide these areas with an infrastructure, assist with their improvement and work with international donor agencies to provide the services of a full-time agronomist.

34. Fishing is a traditional activity and the only significant productive sector. Conch and lobster are the main catches. About 20 per cent of the working population is involved in agriculture and fishing.[15] The Turks and Caicos Islands is home to the world's only commercial conch farm, raising domestic conch for export. Several fish farms are being developed on an experimental basis to produce tilapia for international markets.[16] The production of high-value, value-added and specialty export products has an important potential for growth and investments in the Territory. Some examples include: fin fish and shrimp farming, tropical fish breeding, hydroponic gardening and ornamental horticulture.[17]

35. Apart from the production of handicrafts for the tourism trade, the only manufacturing activity is the semi-processing of imported rice for re-export to the European Union, benefiting from duty preferences under the Lomé Convention. Operations were begun in 1994 but have been reduced since early 1997, when the European Union imposed a restrictive quota on rice imports from African, Caribbean and Pacific countries via the overseas countries and territories regime.[18]

36. An international construction company is based in the Turks and Caicos Islands. Sand and rock are quarried locally for use in construction projects, most significantly for hotels and commercial buildings.[19]

F. Tourism

37. The Turks and Caicos Islands tourism sector continues to record one of the fastest growth rates in the entire Caribbean. A total of 151,394 tourists visited the Territory in 2000. In January 2001 alone, the Tourist Board recorded 13,620 visitors, which surpasses by 8 per cent the number of arrivals during the previous January. Tourists from the United States make up 73 per cent of the visitors, visitors from Canada make up 16 per cent and from Europe about 7 per cent. The Director of Tourism considers that the increase in arrivals in both 2000 and 2001 can be attributed in part to the commitments of the Territory's partners in the industry, such as major airlines, which have increased their services to and from the Territory (see also paras. 41-50).

38. The territorial Government's strategic development plan for tourism set out a strategy for development of sustainable tourism on the Turks and Caicos Islands. The expansion of the hotel industry has continued, with most facilities concentrated on Providenciales, which accounted for about 75 per cent of the total hotel-room capacity of some 1,600 in 1996.[20] In accordance with the territorial Government's commitment to promoting the economic development of all the Islands, the Government has promoted development projects on South Caicos, North Caicos, East Caicos and Middle Caicos. In addition, the Government has signed a development agreement for the Grand Turk Harbour Project as well as several new projects on Providenciales.

39. The territorial Government completed the construction of a new airport terminal in Providenciales. Keen to reduce its dependence on the United States market, the Government is holding strategic discussions with potential donors, including the European Development Bank, to finance a lengthening of the runway at the Providenciales Airport to handle transatlantic flights. It has also made significant budgetary allocations to improve seaports and airports throughout the country and looks to encourage financing of infrastructure through strategic partnerships with investors.[21]

G. Infrastructure

40. Transport and communication facilities are of a good standard, reflecting the Territory's relatively high income and the developing offshore financial sector. There are international airports on Providenciales, Grand Turk, North Caicos and South Caicos, and paved airstrips on Middle Caicos and Salt Cay. American

Airlines, Trans World Airlines and Delta Air Lines operate to the United States. British Airways will provide services beginning in June 2001. In season, there are charter flights from several North American cities, including Boston, Chicago, Detroit, New York, Philadelphia and Toronto. Inter-island services are provided by Turks and Caicos Airways and numerous local charters. Flights are available to the Bahamas, Haiti, the Dominican Republic, Puerto Rico, Cuba and Jamaica. Grand Turk, Providenciales, South Caicos and Salt Cay have ports. The road network covers about 130 kilometres, with paved roads on Grand Turk, Providenciales and the Caicos Islands.

41. Cable and Wireless, a British telecommunications company, provides domestic and international telephone services. There are 12 cable channels on Grand Turk and 32 on Providenciales, and six radio stations. There are no daily newspapers. The *Free Press* and the *Turks and Caicos News* are published weekly, and the *Times of the Islands*, a magazine aimed at business and tourism, is issued quarterly. All electricity services are operated by private companies, with diesel generators and to United States standards of supply and reliability.[22]

42. At the beginning of 2001, Cable and Wireless came under fire by its Turks and Caicos customers for opposing the liberalization of the telecommunications services in the Territory. Internet users accused it of blocking Voice Over Internet and call-back services offered by other providers at lower cost. Similar criticism was voiced in other countries and Territories of the region. Cable and Wireless argued that, unlike their competitors, the company made a considerable contribution to the Territory's economy: it paid licence fees and government taxes; it had invested over $8 million of capital during the 12-month period ending in March 2001; it also invested $500,000 annually in training and development; and it provided free Internet access in schools and libraries. However, the company's opponents claimed that the telecommunications giant was blocking information technology to maintain high profits. As the local and international businesses in the Territory and in the region heavily relied on the telephone, they could not afford Cable and Wireless prices.[23] According to the local press, as of March 2001, the company was locked in discussions with the Territory's Government, in particular on the Voice Over Internet issue.[24]

43. The dispute with Cable and Wireless over the liberalization of the telecommunications market is not limited to Turks and Caicos. Several Caribbean States have been recently conducting negotiations on the liberalization of the telecommunications market with the company. As a result, an agreement that will fully open the telecommunications sector in the region to competition within 12 to 18 months was signed with Cable and Wireless on 7 April 2001.[25]

44. In order to facilitate more balanced growth in the islands, a number of major studies have identified the need for port development in Providenciales and airport development in Grand Turk. Studies are to be undertaken in waste management and transport needs.

45. Emergency funding of $160,000 has been provided for temporary work on the terminals in Grand Turk and South Caicos. A total of $131,000 has been provided for remedial work at Grand Turk Dock. South Dock Provo is becoming a major constraint to the movement of goods. The cost of expanding the port to meet forecast demand is estimated at $7 million. A plan is being developed to attract private tenders.

46. Funds are being budgeted for a new dock on North Caicos and to build a causeway bridge between North and Middle Caicos. Construction will be undertaken to improve and upgrade roads and a loan from the Caribbean Development Bank is being negotiated to upgrade the Leeward Highway.

47. Water projects to improve access to potable water, and an expanded water distribution network are to be commissioned during the year.[26]

VI. Social conditions

A. General

48. The expansion in the tourism and offshore finance sectors has resulted in favourable economic growth, but activities in that area are concentrated almost totally on one island, Providenciales. Thus, economic opportunities are not equally distributed among the islands. Unemployment varies between 14 and 20 per cent on the other islands, while Providenciales boasts almost full employment. Inter-island migration is common, particularly migration to Grand Turk, where the capital is located. A number of social problems, such as overcrowding, housing

shortages and an increase in the number of female-headed households, have resulted from this skewed pattern of development.[27]

49. In his budgetary address on 27 March 2000, the Chief Minister stated that his Government remained committed to the social development of the islands and the continual strengthening of the education and health services. Some services, however, were affected by the demographic changes taking place in the islands.

B. Employment

50. One of the social problems in the Turks and Caicos Islands that requires serious attention is finding an acceptable balance between providing the Territory's nationals with employment and a more meaningful role in the economy and meeting a growing need for qualified personnel in such industries as tourism and financial services. Regional differences in employment are significant. Unemployment on Providenciales is the result of an imbalance between demand and supply for skills and the unwillingness of many "Belongers" (local islanders) to take certain jobs. This has led to a dependence on immigration and an influx of immigrant workers.

51. Of an estimated population of 24,000, some 5,000 to 6,000 immigrants are from Haiti and the Dominican Republic. The geographical location of Turks and Caicos and relative prosperity makes it an attractive destination for job seekers from neighbouring countries.

52. The Government undertakes constant efforts to deal with the problem of illegal immigration, including forced repatriation. It received assistance from the International Organization for Migration and from the Office of the United Nations High Commissioner for Refugees. The territorial Government seeks the support of the Governments of the United Kingdom and Haiti in its efforts to enforce existing laws and regulations governing migrant workers.[28] The immigration authorities have tightened the regulations governing the migrant workforce.[29] According to the Governor, the issue of illegal immigration was high on the agenda during the strategic country programme talks in February 2001. The Governor pointed out that it cost some $21,000 per month to maintain a surveillance aircraft to detect Haitian boat people, and that the Government had had to spend about $42,000 in just one week to charter flights to return illegal immigrants, whose medical referrals cost some $7 million a year.[30]

53. At the beginning of 2001, the Government embarked on refining the rules for granting so called "Belonger" status and work permits to foreigners. "Belongship" is a local immigration status. Previously skilled foreigners who served in the Territory for five years and beyond qualified for Belonger status. Given the growing dependence of the Territory's economy, in particular such sectors as tourism, construction and financial services, on the outside workforce, its small population may feel overtaken by immigrants, many of whom gain entry by obtaining work permits. The Immigration Department, in cooperation with security officials, is developing measures to address the problem. One of the proposals limits work permits for skilled persons or professionals to four years and for unskilled persons to three years.[31]

C. Housing

54. In 1997/98, the territorial Government adopted a national housing policy. The first project to be implemented under that policy is the Shelter Development Project, which was designed to address housing difficulties experienced by low-income Turks and Caicos Islanders. This project includes infrastructure improvements in designated areas of Five Cays and Providenciales and the establishment of a special mortgage programme for the renovation and extension of the homes of people in the target income group. The Government has now established the Housing Department to lead its efforts to improve the quality of housing stock and oversee the $2 million Shelter Development Project over the next two years.

D. Education

55. Education in the Territory is free and compulsory for children between 5 and 16 years of age. There are 14 government-run primary schools and 4 government-run secondary schools. The adult literacy rate is 98 per cent. The pupil-teacher ratio averages 25:1. The overall goal of the sector is to prepare the population for employment opportunities that will arise as the pace of development increases.[32] According to information provided by the administering Power, the Government of the Territory continues to work towards improving the education sector, with concentration on staff

training and a successful drug awareness programme sponsored by the United Nations International Drug Control Programme. Changing enrolment patterns, in particular the growth in the number of students on Providenciales, remains a key concern of the education sector. More than $10 million is planned for investments in the education sector over the next several years; these will include improvements in infrastructure, training, and planning and management reforms, as well as the commencement of a national literacy programme.

56. According to the Chief Minister, the Government is committed to a five-year education plan as the main planning document guiding the education sector in critical areas of institutional strengthening, human resource management and the timely provision of the infrastructure.[33]

57. A significant expansion of education facilities has already taken place according to the Chief Minister. Further inputs of over $1.6 million from the United Kingdom, $2.2 million from the Caribbean Development Bank and $500,000 from the territorial Government are to be made to continue the upgrading of the primary and secondary schools and the Community College.

58. In recent years, efforts have been made to improve the educational system in the Territory. In addition to providing post-secondary education, several certification programmes have been implemented through the Community College, with certificates and degrees being awarded by reputable universities. According to the Chief Minister, the new programmes that will be launched in the Community College in September 2001 will enable more students to receive their degrees without going abroad.

E. Health

59. Basic health care is available on the islands through a network of primary health care clinics and one hospital, located on Grand Turk, the capital island. The Government has sought to address infrastructural needs, especially on the island of Providenciales, which has a high population growth rate.[34]

60. According to the World Health Organization, the illegal migrant population presents a major challenge for the Territory. These people often live under poor conditions, and there is a recorded increase in the incidence of communicable diseases, especially tuberculosis, among them. This situation also places an additional strain on the Territory's health system.

61. The World Health Organization points out that, as a result of a poor health infrastructure and insufficient institutional capacity, the Territory has been spending more and more money for overseas treatment. In 2000, the Ministry of Health reported an expenditure of $7 million for this purpose. The Government is currently exploring the possibility of establishing a national health insurance scheme.

62. According to a throne speech given by the Governor in May 1999, the Islands have embarked upon an initiative in the area of health-care provision. The national health vision and plan, a United Kingdom bilateral aid-funded project, will determine the type of health service suitable for the Turks and Caicos Islands in the next five years. It will identify staffing and equipment requirement, building needs and the extent to which overseas treatment requirements can be integrated into a Turks and Caicos Islands health service. Its aim is to provide an affordable and efficient health service for all residents and visitors.

63. Over the next year or two, nearly $1 million will be spent to upgrade Grand Turk Hospital, while $600,000 will be spent on Myrtle Rigby Clinic to cover essential needs. The various island clinics are to be upgraded with funding provided by the Caribbean Development Bank under its basic needs trust programme over the next two years. A clinical nursing curriculum has been developed and is scheduled to commence in September 2000 at the Community College to help reduce the dependence on expatriate staff.

64. The Government remains steadfast in the fight against acquired immunodeficiency syndrome (AIDS) and drug abuse. A national AIDS programme has been formulated to raise awareness through improved information, education and communication programmes. The local press regularly publishes materials on the subject.

F. Crime

65. The report of the police on criminal activity for 2000 showed that there were a total of 1,258 crimes committed, compared with 1,202 crimes in 1999. The detection rate, however, was 2 per cent lower than in

1999. The report stated that burglaries accounted for 50 per cent of the crimes and theft for 17 per cent. The majority of crimes were committed on Providenciales, namely 912, which is a 1 per cent increase, Grand Turk showed 286 or a 16 per cent increase and in South Turk there were 18 crimes or a decrease of 58 per cent. In North Caicos the figure soared to 21 in 2000, which is a 43 per cent increase in crime, and Middle Caicos, where there had been no crime the previous year, showed eight crimes.

G. Drugs and drug trafficking

66. Royal Navy and Royal Air Force attachments to the Police Force have enhanced the Turks and Caicos Islands' ability to combat drug trafficking. The Islands enjoy close cooperation with the United States and Bahamian narcotics agencies under an agreement extended to the Turks and Caicos Islands in 1990, thus allowing for combined United States/Turks and Caicos Islands/Bahamas interdiction operations.

67. On 30 October 2000, an agreement on counter-drugs cooperation between the United States and the United Kingdom, also on behalf of the Non-Self-Governing Territories in the Caribbean, came into force.[35] The agreement aims at better international cooperation in the fight against drug trafficking in the waters of the Caribbean and at closer coordinated operations and air and sea surveillance in the region.[36]

68. At the beginning of 2001, the Turks and Caicos Police Department reported a 35 per cent increase in drug-related offences for 2000 compared with 1999. Illegal drug convicts are mostly young people between the ages of 15 and 30. During 2000, 118 persons were charged and 80 persons were convicted in this category. Illegal drugs are most often brought into the Territory in boats circulating between Haiti and Turks and Caicos. Illegal drugs are also coming from Jamaica, the Dominican Republic, the Bahamas and Colombia. The Police Department reportedly is determined to work with other national agencies, including the Customs and Welfare Departments to apprehend and prosecute offenders.

H. Environment

69. The Chief Minister noted in his budget speech in March 2000 that the $1.6 million grant from the administering Power to facilitate the implementation of the territorial Government's coastal resource management project had been delayed, but that the project was now well under way to establish a National Park Service to help protect the coral reefs and coastal areas. This project will also help construct a national environmental centre on Providenciales, and fund awareness programmes to educate the public on the benefits of the national parks. It is also intended to address the degradation of natural resources caused by increases in population pressure and tourist arrivals.[37]

70. The Turks and Caicos National Trust is a membership-based voluntary organization working to protect the natural and cultural heritage of the Islands.

71. One of the problems at the Providenciales International Airport is the threat to aviation safety posed by birds and stray dogs. In January 2001, the presence of dogs on the runway during the landing of an American Airlines jet with 130 passengers on board created a serious danger and a disaster was narrowly avoided. Reportedly, several agencies, including the Health Ministry, are in the process of formulating a programme aiming to eliminate stray dogs or reduce their number. In the meantime, the airport authorities use special measures, including siren sounds and bright lights, to scare away dogs. They are also planning to introduce a system that will reproduce recorded gunshot sounds.[38]

I. United Kingdom development assistance

72. According to the administering Power, the future development strategy for the Islands was discussed in the context of the country policy plan negotiated in 1999. The last bilateral assistance programme focused on the development of the civil service, the provision of technical cooperation officers and expertise to assist the Government over a wide range of public service activities, the development of "gateways" legislation on financial services, and the strengthening of judiciary and democratic institutions. The programme focused on the provision of support in the education and health sectors.[39] The Plan will be reviewed and updated in 2001.

73. The 2001 Report of the Department for International Development states that, where practicable, it is supporting a coordinated approach by

the Territories on a regional basis to such common problems as programmes to combat HIV/AIDS, the development of common financial accounting procedures and the introduction of appropriate systems for disaster preparedness. In November 2000, a new "Overseas Territory Global Environmental Programme" was approved to address such challenges as climate change, loss of biodiversity and protection of international waters.[40]

VII. Participation in international organizations and arrangements

74. The Turks and Caicos Islands were admitted as an associate member of the Caribbean Community (CARICOM) in July 1991. The Territory is also a member of the Caribbean Development Bank and the International Criminal Police Organization and the International Criminal Police Organization (Interpol).

75. The Twelfth Inter-sessional Meeting of the Conference of Heads of States of the Caribbean Community, held in Barbados from 14 to 16 February 2001, adopted a number of conclusions and decisions having a bearing on the Territory. These include the following:

(a) The Agreement establishing the Caribbean Court of Justice, which is considered to be an integral component for the efficient functioning of the CARICOM Single Market and Economy;

(b) Giving priority to the implementation of the CARICOM Single Market and Economy, in order to enable the region to take advantage of the opportunities created by hemispheric and global liberalization;[41]

(c) The decision to convene a Regional Summit on Tourism in July 2001, given the importance of tourism to the economic development of the region;

(d) Welcoming the High-level Consultation and the First Meeting of the Joint Working Group held in January 2001, as creating the opportunity for non-OECD countries to provide a coordinated response to OECD on this issue;[42]

(e) Expressing concern at the growing prevalence of HIV/AIDS and its impact on the economic and social development of the region, and supporting the objectives of the Pan-Caribbean Partnership to combat HIV/AIDS, launched in February 2001.

76. UNDP assistance continues under the 1998-2003 country programme, which includes technical assistance in excess of $780,000. The net contributor country classification places Turks and Caicos in a category that requires full government cost-sharing in UNDP programmes. However, the Territory also benefits from some UNDP regional programmes, such as the regional disaster response and management project and a programme for technical service development. In addition, UNDP continues to concentrate on small business development and employment creation in the Territory, particularly on its less developed islands. UNDP also provides technical support for capacity-building in the public sectors using the United Nations Volunteers. At the beginning of 2001, UNDP and the Territory's Government started a joint national entrepreneurship programme and the Small Enterprise Development Centre. The programme targets primarily native business people and promotes more balanced development of different parts of the Territory. The Centre became operational at the end of 2000 with the arrival of the first United Nations volunteer. The programme includes familiarization visits to small businesses, consolidation of the work plan and a number of seminars and workshops on, inter alia, business opportunities, marketing and accounting. It will also develop Internet-based information services, provide management consultancy services and advise the Government on policy and regulatory issues in order to overcome constraints to the development of small business. The TCInvest will administer the development of small-scale enterprise for employment creation as a component of the project.[43]

77. The country review for the Turks and Caicos Islands will be undertaken in 2001 to determine the future UNDP programme of cooperation for the Territory. The ongoing discussion with the Government indicates that governance and capacity-building, particularly in the areas of policy formulation and planning, as well as technical support for the preparation of a mid-term economic strategy, are most likely to be the areas of focus.

78. According to the International Labour Office (ILO), its involvement in the Non-Self-Governing Territories in the Caribbean, including Turks and Caicos, is both normative and operational. Firstly, it deals with the application and promotion of its

international labour conventions. Secondly, a Caribbean multidisciplinary advisory team provides technical cooperation. The Territories benefit from the technical, advisory and information services of ILO and frequently participate in subregional meetings and seminars. ILO maintains contact with the Labour Departments and employers' and workers' organizations in the Territories and invites their representatives to participate in the regional activities, such as meetings of CARICOM labour ministers.

79. The United Nations International Drug Control Programme (UNDCP) provides assistance for Caribbean Non-Self-Governing Territories in subregional projects carried out in the context of the Caribbean Plan of Action for Drug Control Coordination and Cooperation. Turks and Caicos benefits from a UNDCP project which assists customs administrations in the establishment of a regional clearance system for small vessels and light aircraft in order to improve the interdiction of illicit drug trafficking.

80. The International Federation of Red Cross and Red Crescent Societies has made efforts to re-energize its activity in Turks and Caicos and to help organize a well-functioning local organization. The priority for the Territory is preparedness for natural and other disasters and education on the dangers of HIV/AIDS.[44]

VIII. Future status of the Territory

A. Position of the territorial Government

81. As cited in resolutions of the General Assembly on the Turks and Caicos Islands (see General Assembly resolution 54/90 B, part X), the representatives of the Turks and Caicos Islands stated in 1997 that there was a lack of adequate visible development of the process of self-determination in the Territory. They stated that there was the political will on the part of the territorial leaders for a more advanced Constitution which would enable an orderly transfer of power to the people of the Turks and Caicos Islands. They stated that the administering Power should accelerate the process of equipping and preparing the people of the Territory to evaluate properly the available options for self-determination and, with that in view, emphasized that the advancement of the political, economic, social and educational institutions in the Territory was of paramount importance (see A/AC.109/2089, para. 29).

82. In his 1998/99 budget presentation, the Chief Minister of the Turks and Caicos Islands had stated: "Whilst we welcome the new United Kingdom Government's White Paper on development and the outcome of the recent London meetings, we remain concerned that too many delays have affected the bilateral aid programme".

83. In his speech from the throne given on 25 May 1999, the Governor also referred to the White Paper and stated that the Legislative Council would debate the three main issues raised, namely, British citizenship, human rights and offshore financial services, and make any changes to the laws of the Turks and Caicos Islands, if necessary.

B. Position of the administering Power

84. In addressing the Fourth Committee of the General Assembly on 26 September 2000 (see A/C.4/55/SR.4, paras. 1-4), the representative of the United Kingdom stated that, over the preceding year further progress had been made towards the modernization and development of the relationship between the United Kingdom and its Overseas Territories. The inaugural meeting of the Overseas Territories Consultative Committee had taken place in 1999, and the second meeting would be held in London on 3 and 4 October 2000. The meeting provided a forum for structured political dialogue and exchange of views between the elected representatives of the Overseas Territories and the United Kingdom Government concerning the management of public affairs and the future development of the Overseas Territories. The representative said that her Government provided support to Territories afflicted by disaster, and offered a wide range of development assistance to those Territories which needed it. At the same time, in the spirit of partnership, it continued to promote sustainable development under strategic country programmes. She stated that, for her Government, the wishes of the peoples concerned, exercised in accordance with the Charter of the United Nations and other international treaties, were of paramount importance. The relationship continued to be based on the principles of self-determination, mutual obligations, freedom for the Territories to run their affairs to the greatest degree possible, and a firm

commitment from the United Kingdom to help the Territories economically and to assist them in emergencies. She stated that her Government welcomed the efforts made by the Special Committee on decolonization to pursue informal dialogue with the administering Powers in order to ascertain the wishes of the peoples of the Territories with a view to the possible removal of those Territories from the Special Committee's list.

85. On 6 December 2000, Baroness Scotland, Under-Secretary of State for Foreign and Commonwealth Affairs, reaffirmed that the Government of the United Kingdom remained committed to introducing legislation as soon as possible to ensure that the United Kingdom's offer of citizenship, outlined in the White Paper on Overseas Territories was delivered. She also stated that her Government had initiated a consultation process with the Overseas Territories on issues relating to the legislation and its implementation. The process placed her Government in a prime position to act as soon as the bill became law.[45]

86. According to the Government Economist, Turks and Caicos has received $7.75 million over the past six years in development aid from the European Union. The monies were used on the upgrade of the airport terminal in South Caicos, the dock in Grand Turk and the airport runway and the city water project in Providenciales. The Middle and North Caicos causeway was also expected to be funded by the European Union.[46]

C. Consideration by the General Assembly

87. On 8 December 2000, the General Assembly adopted resolution 55/144 B, a consolidated resolution on 11 Non-Self-Governing Territories, section X of which is specifically devoted to the Turks and Caicos Islands.

Notes

[1] The information contained in the present paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 *e* of the Charter of the United Nations.

[2] See DP/CCF/TCI/1, para. 3.

[3] Encyclopaedia Britannica, accessed at www.britannica.com.

[4] *Turks and Caicos Weekly News*, No. 6, 17-23 February 2001.

[5] *Turks and Caicos Free Press*, volume 10, No. 33, 27 November 2000.

[6] *Turks and Caicos Weekly News*, No. 9, 10-16 March 2001.

[7] Economist Intelligence Unit, *Country Profile: Turks and Caicos Islands, 2000/2001*.

[8] *Turks and Caicos Weekly News*, 27 February 2001.

[9] Official web site of the Organisation for Economic Cooperation and Development (www.oecd.org//dac/AidReceipient/tca.gif).

[10] Turks and Caicos Islands Government budget, 2000-2003.

[11] Economist Intelligence Unit, *Country Profile: Turks and Caicos Islands, 2000/2001*.

[12] *Financial Times*, 28 July 2000, via NewsEDGE.

[13] *Turks and Caicos Weekly News*, 8-14 April 2001.

[14] TCInvest: Island Economy profiles (www.tcinvest.tc/tcinvest/profiles.htm).

[15] Economist Intelligence Unit, *Country Profile: Turks and Caicos Islands, 2000/2001*.

[16] *1998 Caribbean Basin Profile*.

[17] TCI Island Profile (www.tcinvest.tc/tcinvest/profiles/profiles.htm).

[18] Economist Intelligence Unit, *Country Profile: Turks and Caicos Islands, 2000/2001*.

[19] Ibid.

[20] Economist Intelligence Unit, *Country Profile: Turks and Caicos Islands*, EIU newswire, 10 May 2000.

[21] Chief Minister's budget address, 27 March 2000.

[22] Economist Intelligence Unit, *Country Profile: Turks and Caicos Islands, 2000/2001*.

[23] *Turks and Caicos Weekly News*, 17-23 February 2001.

[24] *Turks and Caicos Weekly News*, 24 February-2 March 2001.

[25] *Caribbean Insight*, volume 24, No. 12, 30 March 2001.

[26] Chief Minister's budget address, 27 March 2000.

[27] *1998 Caribbean Basin Profile*.

[28] Chief Minister's budget address, 27 March 2000.

[29] British Overseas Territories, White Paper, appendix 1.

[30] *Turks and Caicos Weekly News*, 17-23 March 2001.

[31] *Turks and Caicos Free Press*, 17 January 2001.

[32] *1998 Caribbean Basin Profile*.

[33] Chief Minister's budget address, 27 March 2000.

[34] *1998 Caribbean Basin Profile*.

[35] The United Kingdom and the United States signed an agreement on 13 July 1998 concerning maritime and aerial operations to suppress illicit drug trafficking by sea in the Caribbean and Bermuda. The agreement enhanced existing cooperation between the two countries.

[36] Official web site of the United Kingdom Foreign and Commonwealth Office (www.fco.gov.uk/news.newstext.asap?4330).

[37] *Turks and Caicos Weekly News*, October 1998.

[38] *Turks and Caicos Free Press*, volume 11, No. 3, 25 January 2001.

[39] British Overseas Territories, White Paper, appendix 1.

[40] United Kingdom, Department for International Development, Departmental Report, 2001, chapter 7, paras. 7.53-7.58.

[41] The recommendations were adopted by the Second Special Consultation on the CARICOM Single Market and Economy, held in Barbados on 20 and 21 November 2000.

[42] The High-level Consultation was held in Barbados on 8 and 9 January 2001 between OECD and non-OECD countries; the First Meeting of the Joint Working Group established by the Barbados Meeting was held in London from 26 to 28 January 2001.

[43] *Turks and Caicos Weekly News*, 13-26 January 2001.

[44] *Turks and Caicos Free Press*, volume 11, No. 4, 10 February 2001.

[45] Official web site of the United Kingdom Foreign and Commonwealth Office (www.fco.uk/news/newstext.asp?4472).

[46] *Turks and Caicos Weekly News*, 25 November 2000.